

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

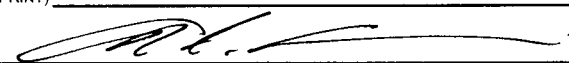
AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU-73920	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC				9. WELL NAME and NUMBER: Rainbow 11-24-42-20	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY: Denver STATE: CO ZIP: 80220			PHONE NUMBER: (303) 350-5114		10. FIELD AND POOL, OR WILDCAT: Undesignated
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: SENE 1807' FNL and 1066' FEL <i>649849 X 39.849766</i> AT PROPOSED PRODUCING ZONE: Same <i>4412341 Y -109.248427</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 20 11S 24E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 67.4 miles south of Vernal, UT				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1066'		16. NUMBER OF ACRES IN LEASE: 1000		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,000' +		19. PROPOSED DEPTH: 6,275		20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5798' RT-KB		22. APPROXIMATE DATE WORK WILL START: 8/1/2006		23. ESTIMATED DURATION: 20 days	

24. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
20"	14"	line pipe		40	3 yards	Ready Mix
11"	8-5/8"	J-55	24#	2,000	Premium Lead	138 sxs 3.50 11.1
					Premium Tail	138 sxs 1.15 15.8
7-7/8"	4-1/2"	N-80	11.6#	6,275	Class G	148 sxs 3.3 11.0
					50/50 Poz Class G	735 sxs 1.56 14.3

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25. ATTACHMENTS		MAY 22 2006
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:		
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER	DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Alvin R. (Al) Arlian</u>	TITLE <u>Landman - Regulatory Specialist</u>
SIGNATURE <u></u>	DATE <u>5/4/2006</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38131

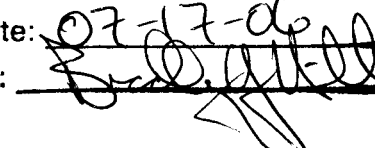
APPROVAL:

(11/2001)

Federal Approval of this Action is Necessary

(See Instructions on Reverse Side)

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 07-17-06
By: 

T11S, R24E, S.L.B.&M.

ENDURING RESOURCES

Found: Set Marked
Stone, Pile of
Stones

N89°59'W - 79.96 (G.L.O.) 2635.22' (Measured)
S89°56'24"W (Basis of Bearings)

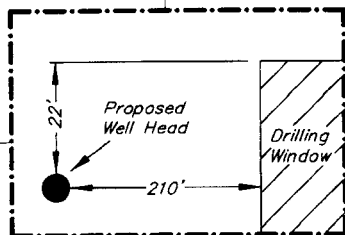
Found Set
marked stone,
pile of stones.

S89°55'46"W 2640.93' (Meas)

Found: Set Stone,
Pile of Stones

90°04'
(G.L.O.)

N00°02'19"W 2638.54' (Meas)
N00°03'W (G.L.O.)



Detail
No Scale

Found: Set Stone,
Bearing Trees

See Detail
at Left

1066'
200' (Comp)

DRILLING
WINDOW

20

**WELL LOCATION:
RAINBOW 11-24-42-20**

ELEV. UNGRADED GROUND = 5796.2'

N00°03'19"W 2648.32' (Meas)

Found: Set Marked
Stone, Pile of
Stones

Found: Set Marked
Stone, Pile of
Stones

N89°57'44"E 2636.12' (Meas)

S89°59'W - 79.90 (G.L.O.)

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 89 EAM 1965
LOCATED IN THE WEST 1/2 OF SECTION 5, T12S,
R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH
MARK IS SHOWN ON THE ARCHY BENCH SE 7.5 MIN.
QUADRANGLE AS BEING 6075'.

RAINBOW 11-24-42-20
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 39° 50' 59.22"
LONGITUDE = 109° 14' 56.67"

WELL LOCATION, RAINBOW 11-24-42-20,
LOCATED AS SHOWN IN THE SE 1/4 NE
1/4 OF SECTION 20, T11S, R24E,
S.L.B.&M. UTAH COUNTY, UTAH.

NOTES:

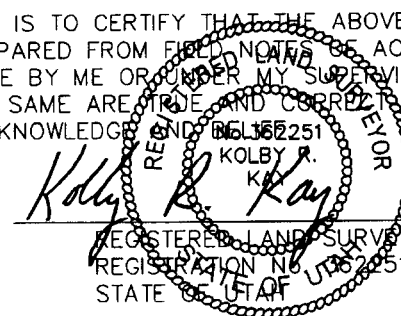
1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.
3. The proposed Well Bears S30°26'05"W 2097.49' From the Northeast Corner of Section 20.
4. Due to topography the well has been placed outside drilling window.



DISTANCE TO NEAREST WELL

FROM WELL	TO WELL	COURSE	DISTANCE
11-24-42-20	11-24-32-20	N89°45'48"W	1,087.03'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



TIMBERLINE LAND SURVEYING, INC.

38 WEST 100 NORTH. - VERNAL, UTAH 84078
(435) 789-1365

DATE SURVEYED: 10-19-05	SURVEYED BY: B.J.S.	SHEET 2 OF 10
DATE DRAWN: 11-12-05	DRAWN BY: B.J.S.	
SCALE: 1" = 1000'	Date Last Revised:	



Enduring Resources

475 17th Street Suite 1500 Denver Colorado 80202
Telephone 303 573-1222 Fax 303 573 0461

May 15, 2006

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801
Attn.: Ms. Diana Whitney

**RE: Rainbow 11-24-42-20
SENE 1807' FNL and 1066' FEL
Section 20 T11S-R24E S.L.B. & M.
Lease Serial No.: UTU-73920
Uintah County, Utah**

Dear Ms. Whitney:

Enclosed is an original application to drill concerning the above-referenced proposed well. Also enclosed is a copy of the BLM APD. ***This well's location and access is on federal lands. However, part of the access also crosses American Gilsonite lands. Enduring has a standard form surface agreement for crossing and drilling on American Gilsonite lands.***

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Very truly yours,

ENDURING RESOURCES, LLC

Alvin R. (Al) Arlian
Landman-Regulatory Specialist

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Enclosures:

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MAY 22 2006

DIV. OF OIL, GAS & MINING

ENDURING RESOURCES, LLC

425 Seventeenth Street, Suite 1500

Denver, Colorado 80202

Telephone: 303-573-1222

Facsimile: 303-573-0461

May 15, 2006

State of Utah
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801
Attention: Ms. Diana Whitney

RE: Request for Exception Location

Rainbow 11-24-42-20
SENE 1807' FNL and 1066' FEL
Section 20 T11S-R24E S.L.B. & M.
Lease Serial No.: UTU-73920
Uintah County, Utah

Dear Ms. Whitney:

Enduring Resources, LLC has moved this well pad to an exception location to avoid building the well pad on steep slopes and causing excessive surface disturbance.

Enduring is the only leasehold owner within 460' radius of the well.

Therefore, Enduring Resources, LLC hereby grants itself permission to directionally drill the wells and the four exception well locations.

Should you have any questions concerning this matter, please do not hesitate to call.

Very truly yours

ENDURING RESOURCES, LLC



Alvin R. (Al) Arlian
Landman – Regulatory Specialist

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SELF-CERTIFICATION STATEMENT

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Rainbow 11-24-42-20
SENE 1807' FNL and 1066' FEL
Section 20 T11S-R24E S.L.B. & M.
Lease Serial No.: UTU-73920
Uintah County, Utah

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



Alvin R. Arlian
Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202
(303) 350-5114

May 15, 2006

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DIV. OF OIL, GAS & MINING

Enduring Resources, LLC

Rainbow #11-24-42-20
SENE Sec. 20 T11S-R24E
Uintah County, Utah

Lease # UTU-073920

ONSHORE ORDER 1 - DRILLING PLAN

1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)
Uinta	Surface
Green River	418'
Wasatch	2650'
Mesaverde	4027'

2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 5798'	
Oil / Gas	Green River	418'
Oil /Gas	Wasatch	2650'
Oil /Gas	Mesaverde	4027'
	TD	6275'

A 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

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DIV. OF OIL, GAS & MINING

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the annular preventer is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

Blow-Out Preventer

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. Proposed Casing & Cementing Program:

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6275'

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints

with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6275' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.95 (d)	7780/2.59 (e)	223/3.56 (f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus,
no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

PROPOSED CEMENTING PROGRAM

Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft³/sx) cement will be premium cement w/ 3% CaCl₂.+0.25 pps celloflake. Volume as required

Surface Casing (if well will not circulate) - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl ₂ + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl ₂ + 0.25 pps celloflake	As Req.		15.8	1.15

Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft ³ /sx)
4-1/2"	Lead	534	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	48	25	11.0	3.3
4-1/2"	Tail	4025	50/50 POZ Class G + 2% gel +1% CaCl ₂ + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	735	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Drilling Fluids (mud) Program:

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6275' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

6. Evaluation Program:

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

Logging

- Dual Induction – SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML
TD to Base Surface Casing
- Cement Bond Log / Gamma Ray:
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

7. **Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3,263 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,883 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

8. **Anticipated Starting Dates:**

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 10 days
- Completion Days - Approximately 10 days
- Anticipate location construction within 30 days of permit issue.

9. **Variances:**

None anticipated

10. **Other:**

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline.

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

ENDURING RESOURCES
Rainbow 11-24-42-20
Section 20, T11S, R24E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF A COUNTY D ROAD. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 3.4 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3,695 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 67.4 MILES IN A SOUTHEASTERLY DIRECTION.

Enduring Resources, LLC

**Rainbow #11-24-42-20
SENE Sec. 20 T11S-R24E
Uintah County, Utah**

Lease # UTU-073920

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Directions to the Rainbow 11-24-42-20 Well Pad

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.8 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 2.3 MILES TO THE JUNCTION OF A COUNTY D ROAD. EXIT RIGHT AND PROCEED IN A NORTHERLY DIRECTION ALONG THE COUNTY D ROAD APPROXIMATELY 3.4 MILES TO THE PROPOSED ACCESS ROAD. FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 3,695 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 67.4 MILES IN A SOUTHEASTERLY DIRECTION.

2. Planned Access Roads:

The proposed access road will be approximately 2,425 feet of new construction (ON-LEASE) and 1,270 feet of new construction (OFF-LEASE) on fee land. The balance of the ON-LEASE and OFF-LEASE road is an existing road used to access the Rainbow 11-24-24-17 Well in the SESW of Section 17, T11S-R24E. Please refer to Topo Map "B" for the takeoff point for the new road construction and the Class D County Road that will be improved.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

Enduring and American Gilsonite have a standard form surface agreement for crossing and/or drilling on their lands.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):

The following wells are wells located within a one (1) mile or greater radius of the proposed location.

- | | | |
|----|-------|--|
| a. | None: | Water Wells: |
| b. | None: | Injection Wells: |
| c. | (2): | Producing Wells: |
| | | i. Rainbow Unit No. 6 SENW Sec 19-11S-24E |
| | | ii. Rainbow 11-24-24-17 (is now producing) |
| d. | None: | Drilling Wells: |

- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. (1): Abandoned Wells:
 - i. Rainbow Unit 6 SENW Sec 19-11S-24E
 - ii. Rainbow Unit 2A NESW Sec 19-11S-24E
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (22): Pending (staked) Wells:
 - i. Various wells staked by Enduring in Secs. 17 and 20

4. **Location of Existing and/or Proposed Facilities:**

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Dark Olive Black. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:	ON-LEASE	670'	BLM
	OFF-LEASE	-0'	n/a

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 670 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

- a. ON-LEASE approximately 670 feet, and
- b. OFF-LEASE approximately -0- feet,

of 4 inch or less diameter steel, surface, unpainted, welded gas gathering line is proposed.

- 1. If this well is drilled first then the pipeline shall be a total of 3,485' on-lease and 1,280' off-lease on American Gilsonite.**
- 2. The American Gilsonite-Enduring agreement requires the pipeline to be a surface pipeline to reduce surface impact and disturbance.**

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road (southwesterly), and tie-in directly to a proposed 4" surface gather pipeline to the Rainbow 11-24-41-20 which in turn, ties into the pipe to the Rainbow 11-24-12-20 located in the SWNW of Sec 20-11S-24E.

The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

5. Location and Type of Water Supply:

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2215 or Water Right Number 49-2216 (*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior to commencing operations. (These permits have one-year terms and then must be renewed)

*Enduring Water Permits' Townships of Use:

T10S-R22E	T11S-R22E	T12S-R22E
T10S-R23E	T11S-R23E	T12S-R23E
T10S-R24E	T11S-R24E	T12S-R24E

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

6 Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with ¼ felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

8. Ancillary Facilities:

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

9. Well Site Layout: (Refer to Sheets #2, #3, and #4)

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

10. Plans for Surface Reclamation:**Producing Location:**

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

Seed Mixture for Windrowed Top Soil Will Included:

To be provided by the BLM.

11. Surface Ownership: Location, Access and Pipeline Route:

Wellsite: Bureau of Land Management

Access: Bureau of Land Management and American Gilsonite

Pipeline: Bureau of Land management and American Gilsonite

12. Other Information**On-site Inspection for Location, Access and Pipeline Route:**

The on-sites were conducted December 15, 2005 and January 4, 2006 on all the wells in Sections 17 and 20, T-11S-R24E.

Special Conditions of Approval:

- Tanks and Production Equipment shall be painted Dark Olive Black.
- Gathering Pipeline shall be 4" or less.

Archeology:

- a. A Cultural Resource Inventory Report is pending and to be prepared by Montgomery Archaeological Consultants.

Paleontology:

- a. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

13, Lessee's or Operator's Representatives:**Representatives:**

Alvin R. (Al) Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461
Cell: 303-880-3841
aarlian@enduringresources.com

Teme Singleton
Drilling Engineer
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-573-5102
Fax Tel: 303-573-0461
Cell: 985-502-5070
fhutto@enduringresources.com

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his/her/its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/her/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Rainbow 11-24-41-20 Well; NENE Section 20, Township 11 South, Range 24 East; Lease #:073920 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah, Division of Oil, Gas & Mining Surety Bond No. RLB0008031

ENDURING RESOURCES, LLC



Alvin R. (Al) Arlian,
Landman – Regulatory Specialist

May 4, 2006

50628

RIGHT-OF-WAY and DAMAGE AGREEMENT

THIS AGREEMENT is made and entered into by and between, AMERICAN GILSONITE COMPANY, (hereinafter referred to as "Grantor") and ENDURING RESOURCES, LLC (hereinafter referred to as "Grantee") effective May 31, 2006

WHEREAS, Grantee desires to enter onto and cross such Lands for the purpose of drilling two exploratory oil and/or gas wells, Rainbow 11-24-11-20 & 11-24-12-20 ("Wells"), located in the SWNE and NENW of Section 20, Township 11 South, Range 24 East, Uintah County, Utah (hereinafter referred to as the "Drillsite"). In addition, there will be fourteen additional wells requiring access across the roads originating from the Wells, which Grantor will receive compensation pursuant hereto for. 1377 ROW

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- I. Grantee shall pay Grantor the sum of \$3,000.00 up front payment for damages to surface of the Lands for road access to the Drillsite and for the Drillsite for the drilling of each Well. Within sixty days of completion of each Well either as a producer or a plugged and abandoned well, Grantee shall survey the new access road and the Drillsite to compensate Grantor for any additional damage that may have occurred during drilling and completion operations. Compensation will be on a \$3,000.00 per acre cost for any damages exceeding 4.0 acres and such compensation, if due, will be paid within thirty (30) days of the surveyor's report being released. Grantee shall utilize existing access routes to the maximum extent feasible, so as to minimize surface disturbances for access to facilities.
- II. Grantee and their assigns or agents shall have the right to use a reasonable amount of access road across the Lands and shall have the right to move derricks, drilling tools, vehicles, and all other machinery and equipment necessary or incident to the re-drilling, drilling, testing completion, operation of the wells. Such activity shall be restricted to existing public roads or access roads covered by this agreement. Any roads or surface facilities may be relocated at Grantor's expense if needed due to gilsonite mining or processing in the future.
- III. This Agreement and the rights granted herein are effective and shall continue in full force and effect so long as operations are conducted on the Well. Upon execution of this Agreement, all payments due hereunder shall be paid concurrently. Operations are defined under terms of the oil and gas lease with Grantor, and under the Rules and Regulations defined by the State of Utah.
- IV. Cattle guards and gates will be constructed, if requested by Grantor, at all places where the openings go through the existing fences and gates will be kept closed at all times except when opened for passage of traffic. Also, gates shall be installed to limit access to producing wells on roads constructed by Grantee if by mutual agreement between Grantee and Grantor.
- V. If there is any fill used for roads constructed across any drainage, then culverts will be used for the free flow of water through said drainage.

Rainbow 11-24-42-20

- VI. If the access road departs from existing established roadways and new construction is required, topsoil will be segregated and stockpiled for replacement during reclamation activities.
- VII. It is understood that any road constructed across the said Lands shall not exceed 30 feet in total width, including the total disturbed area between the outside of each berm, without the prior approval of Grantor.
- VIII. Upon completion of any drilled pursuant hereto Well as a dry hole and the subsequent abandonment thereof, and at the request of the Grantor, and drill pads and newly constructed road will be restored and seeded within 180 days to the condition it was in prior to commencement of operations insofar as reasonably possible. Any preexisting roads, and the improvements thereto, which are constructed by Grantee, shall be left in a good and useable condition for the continued use by Grantor. Reclaimed areas will be reseeded with a wildlife mixture approved by the Utah Division of Wildlife.
- IX. In the event that either of the Wells is completed as a producer of oil and/or gas, Grantee shall build and maintain a permanent access road in conformance with the already established county road including any variances granted by the county by existing roads to the Drillsite. Disturbed areas not used for production will be re-graded and seeded with an approved wildlife seed mix within 90 days unless prohibited by weather.
- X. Upon completion of the Well(s) as a well capable of oil and/or gas production, this Agreement shall continue in full force and effect and Grantee shall pay in advance to Grantor an annual access rental of \$3,000, \$2,000 per pad and \$1,000 per acre of roadway 30-foot width, or a minimum of \$3,000 to include the pad and roadway for each well, whichever is greater, on or before January 31st of each year thereafter until the subject well is plugged and abandoned and operations cease thereon.
- XI. It is expressly understood that the settlement amounts in paragraph I are only for construction of a road and drilling location and it is not a settlement for any damages to contiguous property, personal property of the Grantor or a release of any personal injuries that may be sustained by reason of the operations carried on by Grantee or its agents.
- XII. This Agreement does not cover pipeline easements and Grantee acknowledges that it must secure a separate agreement prior to laying pipeline related to production of gas or oil on Grantor's lands.
- XIII. This Agreement shall not be assigned, nor the rights of Grantee hereunder transferred in any manner without the prior written consent of Grantor, which consent shall not be unreasonably withheld.
- XIV. Grantee shall comply at its own expense with the Workman's Compensation Law of the State of Utah and shall maintain such insurance throughout the duration of this Agreement, and shall furnish Grantor prior to beginning work on the Lands evidence of such insurance and at each policy period thereafter renewal evidence that such insurance is being maintained. Grantee, with respect to its operation in

connection with this Agreement, shall also purchase or provide for (1) comprehensive general public liability insurance with a combined single limit not less than One Million Dollars (\$1,000,000) for bodily injury and property damage; and (ii) automobile insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) for bodily injury or property damage. At Grantor's request, Grantee shall furnish Grantor with a certificate or certificates of insurance secured and maintained hereunder and Grantor shall be an additional insured thereon.

- XV. In the event any person or entity (including Grantor) suffers a loss of any kind or character, or death or injury, (1) as a result of a breach of this Agreement by Grantee, or its agents, contractors, or employees, or (2) as a result of Grantee or its agents, contractors or employees performing on the Drillsite or elsewhere, any action, directly or indirectly, in furtherance of a right hereunder, or (3) from any cause whatsoever while being on the Lands and the Drillsite to conduct any work or service for Grantee shall reimburse, indemnify, defend and hold harmless Grantor for any and all losses, costs, claims, liability, litigation, demands, damages and expenses (including all attorney fees) of every kind or character which Grantor may suffer or be subject to as a result of said loss or injury whether or not such losses, costs, claims, liabilities, litigation, demands, damages, and expenses (including all attorney fees) result from the condition of Grantor's premises or facilities, unless through the sole negligence of Grantor or its agents.
- XVI. Grantee shall provide Grantor with not less than forty-eight (48) hours advance notice, either by phone or in person, of Grantee's intent to enter upon the Land for the purpose of commencing operations thereon. Grantee shall conduct its operations in such a manner as to use no more Land than is reasonably necessary and shall use all reasonable efforts not to interfere with the use of the Land by any grazing permittees. All drilling fluid pits shall be fenced within ten days of end of drilling each Well as a producer or dry hole and then the pits will be reclaimed and reseeded within 180 days of the completion of the well as a producer or a dry hole. Surface structures shall be fenced, if they represent a potential hazard to livestock, by mutual agreement between Grantor and Grantee. The type of fencing to be mutually agreed upon by Grantor and Grantee. Grantee will have ten days to effect repairs or problems with fences when notified by e-mail or in writing by Grantor. Grantor can request an extension of the closure of pits beyond the 180 days from the completion of each Well if closing the pits represents a potential hazard or closing the pits at that time will not comply with the State of Utah's reclamation requirements. An extension will not be unreasonably withheld.
- XVII. Grantee shall have the right at any time, and from time to time, to remove any or all property, fixtures, equipment and materials, placed by Grantee on the Land, including the right to draw and remove casing. Within 90 days after plugging of a Well this agreement will expire and Grantee shall remove all remaining property, fixtures, equipment and materials that were placed by Grantee on the Land. Such removal shall be accomplished at Grantee's sole cost, risk and expense. If such items are not removed within 90 days, Grantor shall have the right to remove those items from the Land and bill the associated cost for such removal to Grantee.

- XVIII. This agreement restricts the Grantee's use of Grantor's lands to the sole purpose of exploration and production of oil and/or gas at this specific site. It does not grant Grantee, its contractors, or its agents the right to use the Grantor's property for any other purpose.
- XIX. All operations of Grantee hereunder which involve drilling for and producing of oil and gas, or both, or the cessation, or abandonment, of its operations shall be conducted in a good and workmanlike manner and in accordance with standard oil field practices and in accordance with all applicable federal, state and local statutes and regulations including specifically, but not by way of limitation, such laws and regulations governing the operation, maintenance and reclamation of well sites, pipelines, tank batteries, and other related facilities as may be utilized by Grantee and its operations hereunder. Grantee shall further adhere to and abide by all federal, state and local environment statutes and regulations addressing air, water, and solid waste pollution and the handling storage, storage use and disposal of hazardous substances as prescribed in the Comprehensive Environmental Response, Compensation and Liability Act of 1986, 42 U.S.C. & 9601, et seq. (CERCLA). Grantee shall provide Grantor with copies of all applications for environmental laws, governmental requests for any information pertaining to environmental issues relating to the Land or products produced therefrom or Grantee's use thereof, copies of any responses from Grantee's to said requests, and any environmental investigations, reports, or studies involving the Land or products produced therefrom or the use thereof by Grantee which from time to time, may be obtained from Grantee.
- XX. Grantee also agrees to abide by the laws of regulations of the State of Utah designed to protect gilsonite deposits, including but not limited to those specific rules set forth in the General Rules and Regulations of the Utah Board of Oil, Gas and Mining, as amended, pertaining to such matters.
- XXI. The provisions hereof shall be considered as covenants running with the Land during the life of the Agreement and all modifications thereof, and any assignment of the Agreement shall be subject to the provisions thereof.
- XXII. This Agreement shall not be terminated in whole or in part, nor Grantee held liable for damages, because of a temporary cessation of production of drilling operations due to breakdown of equipment or due to the repairing of a well or wells or because of failure to comply with any of the express provisions or implied covenants of this Agreement if such failure is the result of the exercise of governmental authority, war, armed hostilities, act of God, strike, civil disturbance, fire, explosion, flood or any other cause, including lack of market, beyond the control of Grantee.
- XXIII. Any controversy or claim, whether based in contract, tort or otherwise arising in any way out of, relating to on in connection with this Agreement (a "Dispute") shall be finally settled by arbitration conducted expeditiously in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). In the event of a conflict between this Article and the Rules, this Article shall govern. The attorney/client and work product privileges will be honored in the arbitration as though the case were being determined in a

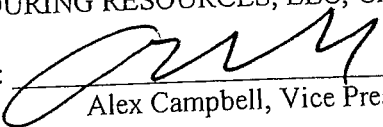
Utah state court. The arbitration shall be conducted before one independent and impartial arbitrator selected by the AAA pursuant to the Rules. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. 1-16, to the exclusion of any provision of Utah law inconsistent therewith and which would produce a different result, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The place of arbitration shall be Salt Lake City, Utah, and the cost of the arbitration proceeding shall be borne equally by the parties to this agreement and each party shall bear its own attorney's fees, and other expenses, provided that the arbitrator may award attorney fees, filing fees, and costs to the prevailing party as the arbitrator deems reasonable and fair. The arbitrators shall determine the claims of the parties and render their final award in accordance with the substantive law of the State of Utah exclusive of its conflict of law rules. The limitations of any actions will be determined under Utah law. The arbitrator shall permit and facilitate such discovery as the arbitrator determines is appropriate in the circumstances, taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. The arbitrator shall actively manage the proceedings as the arbitrator deems best so as to make the proceedings fair, expeditious, economical, and less burdensome than litigation. The procedures specified in this section shall be the exclusive means of resolution of Disputes between the parties, provided that either party may seek injunctive action before a court of competent jurisdiction to prevent the occurrence of irreparable harm pending resolution of a Dispute pursuant to the provisions of this section.

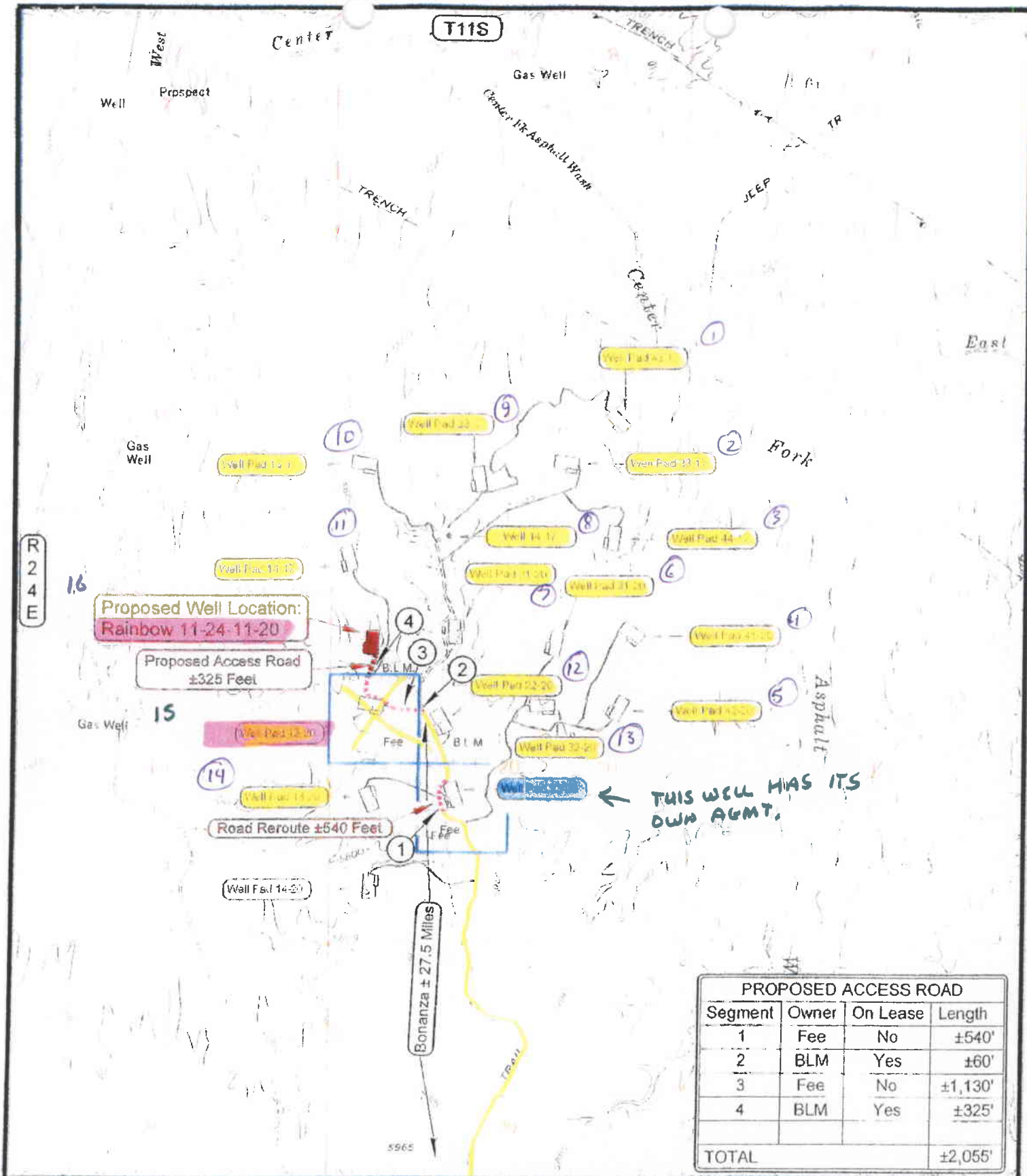
XXIV. This agreement constitutes the entire Agreement between the parties hereto as to the subject matters herein set forth and supersedes all prior written or oral agreements relative thereto. No change, modification, alteration or amendment to this Agreement shall be binding upon the parties hereto except as specifically expressed in writing and signed by each party agreeing to be bound thereby.

AMERICAN GILSONITE COMPANY, Grantor

By: 
Ted Stevens, General Counsel

ENDURING RESOURCES, LLC, Grantee

By: 
Alex Campbell, Vice President



PROPOSED ACCESS ROAD			
Segment	Owner	On Lease	Length
1	Fee	No	±540'
2	BLM	Yes	±60'
3	Fee	No	±1,130'
4	BLM	Yes	±325'
TOTAL			±2,055'

LEGEND

- PROPOSED ACCESS ROAD
- ===== = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- B-548C = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

ENDURING RESOURCES

Rainbow 11-24-11-20
SECTION 20, T11S, R24E, S1B&M.
844' FNL & 582' FWL

TOPOGRAPHIC MAP "B"

DATE SURVEYED: 10-14-05
 DATE DRAWN: 11-08-05
 REVISED:

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 769 1365

SHEET
8
OF 10

SCALE: 1" = 2000' DRAWN BY: DJJ

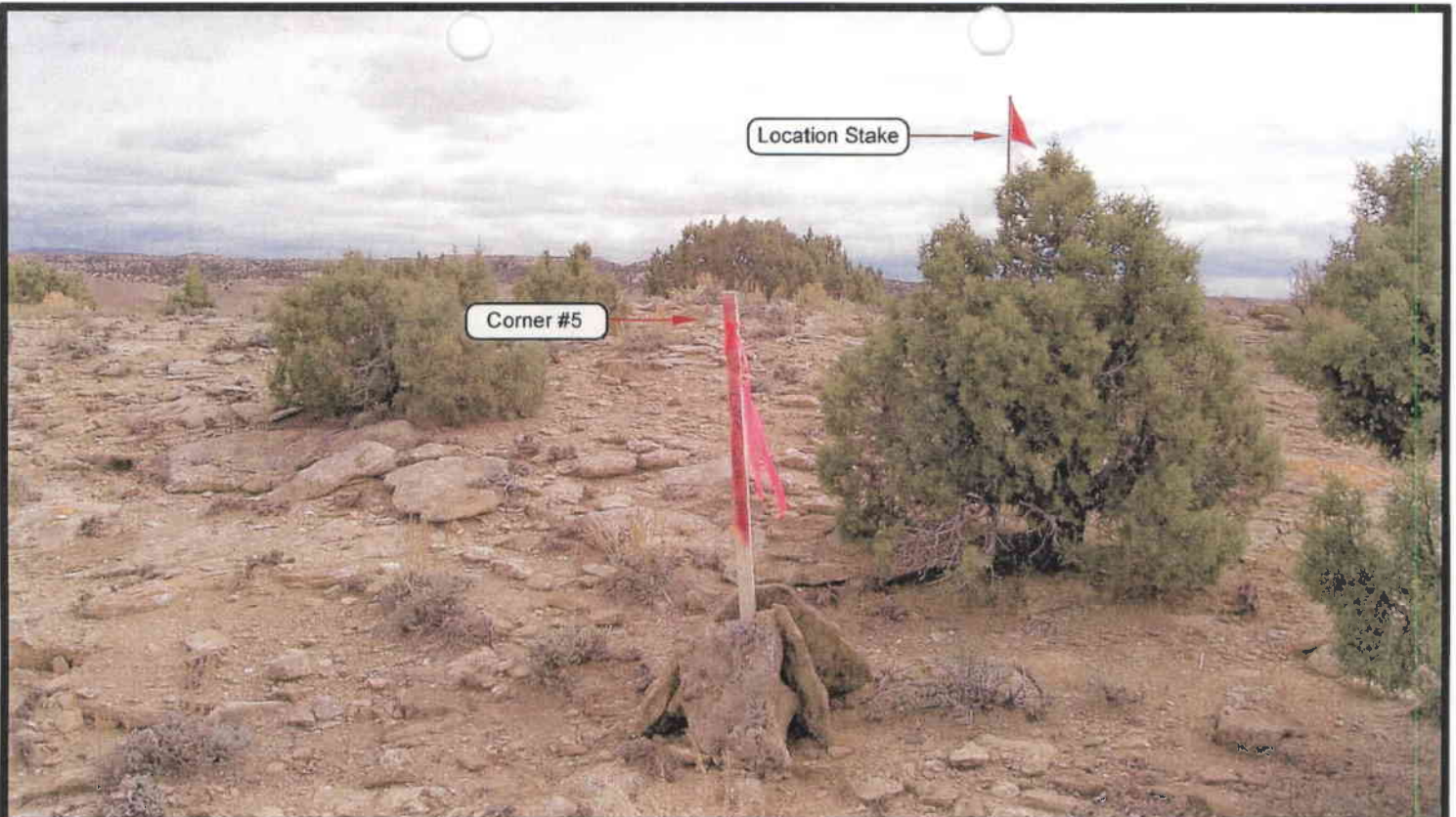


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: EASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHEASTERLY

ENDURING RESOURCES

Rainbow 11-24-42-20
SECTION 20, T11S, R24E, S.L.B.&M.
1807' FNL & 1066' FEL

LOCATION PHOTOS

TAKEN BY: B.J.S.

DRAWN BY: M.W.W.

DATE TAKEN: 10-19-05

DATE DRAWN: 11-14-05

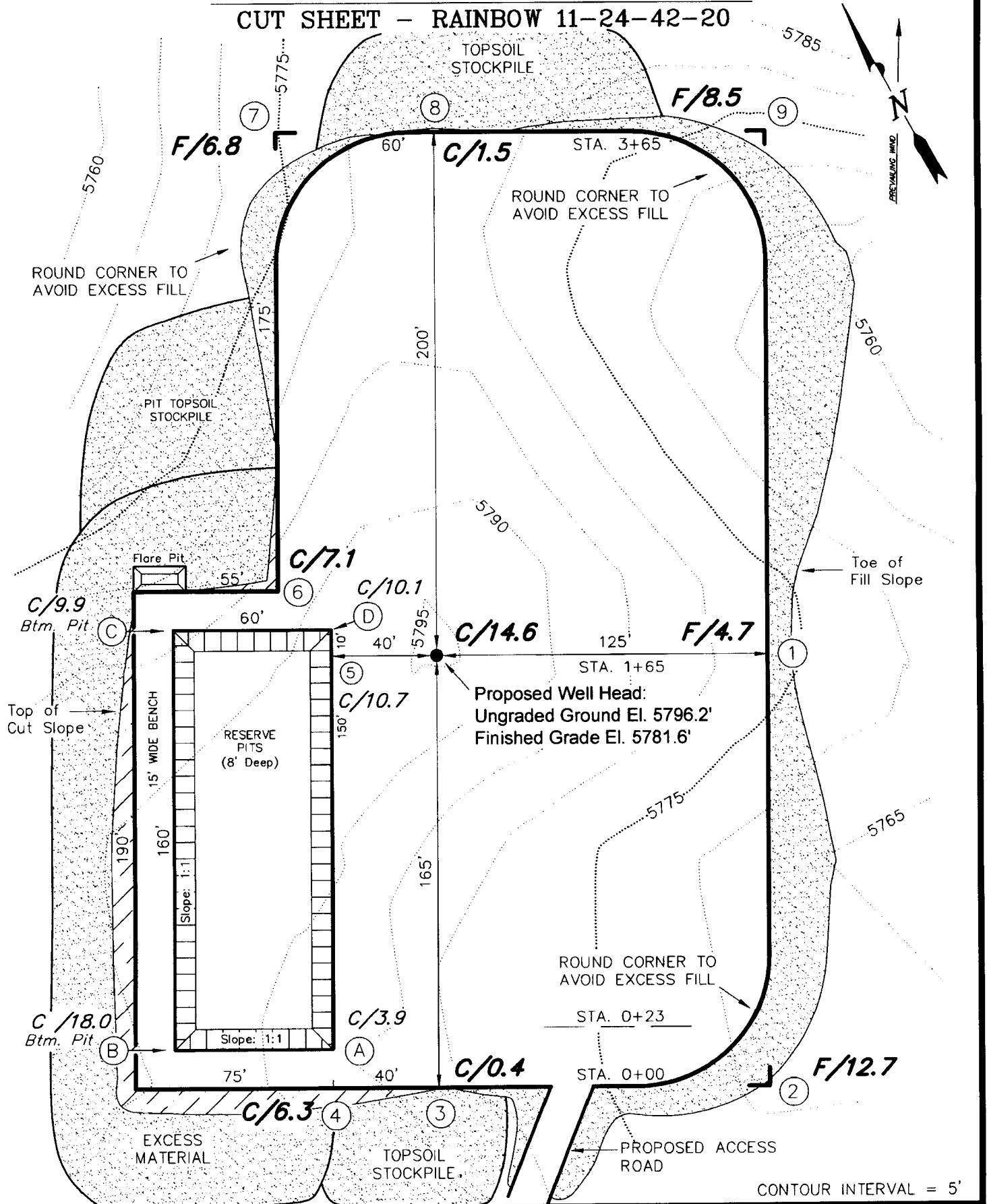
REVISED:

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
1
OF 10

ENDURING RESOURCE

CUT SHEET - RAINBOW 11-24-42-20



SECTION 20, T11S, R24E, S.L.B.&M.

Qtr/Qtr Location: SE NE

Footage Location: 1807' FNL & 1066' FEL

Date Surveyed:
10-19-05

Date Drawn:
11-12-05

Date Last Revision:

Timberline (435) 789-1365
Land Surveying, Inc.

SHEET
3
OF 10

Surveyed By: B.J.S.

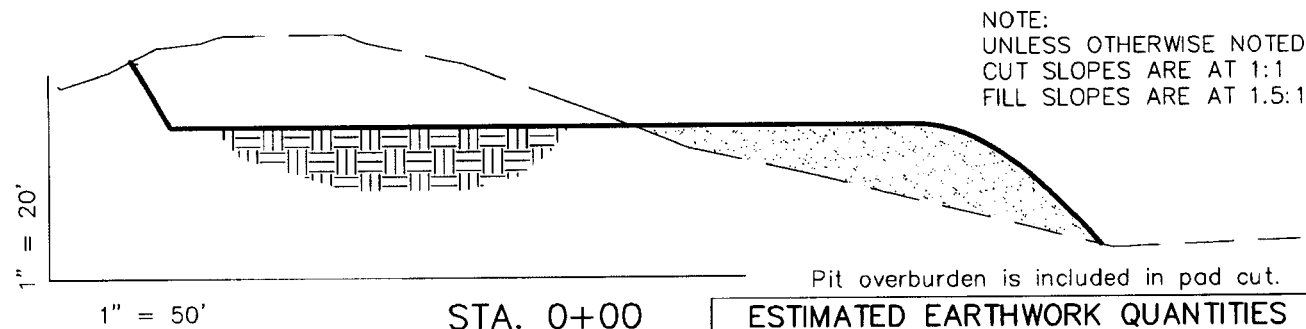
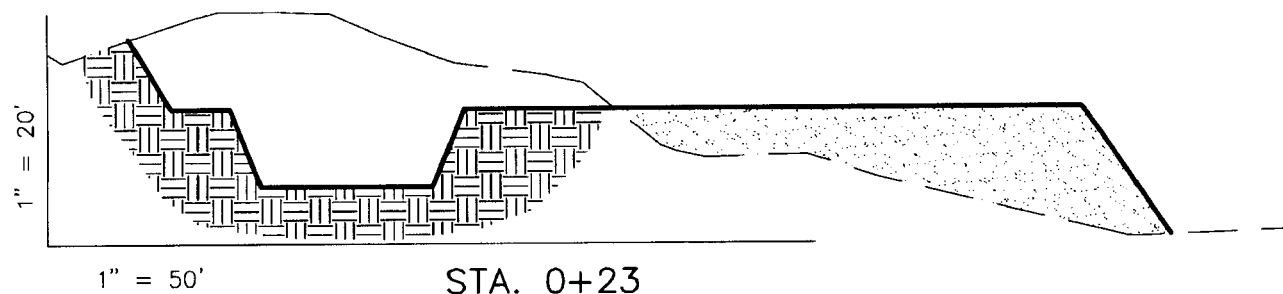
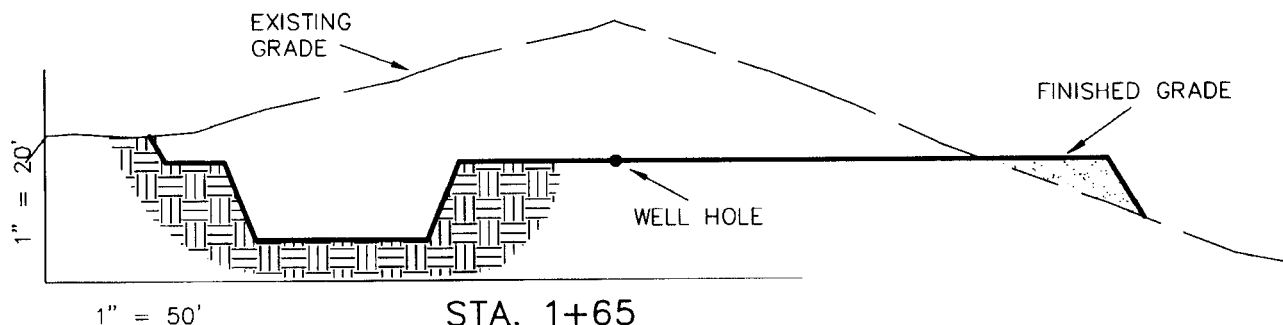
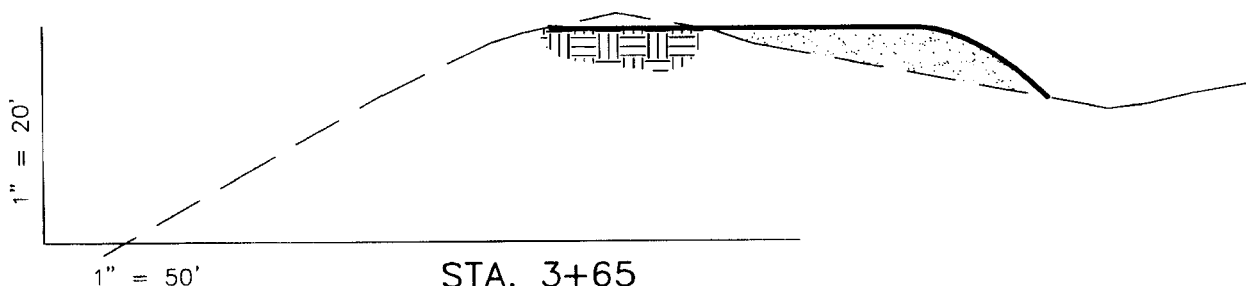
Drawn By: B.J.S.

Scale: 1" = 50'

38 WEST 100 NORTH VERNAL, UTAH 84078

ENDURING RESOURCES

CROSS SECTIONS - RAINBOW 11-24-42-20



REFERENCE POINTS

175' SOUTHEASTERLY= 5770.3'
 225' SOUTHEASTERLY= 5768.6'
 215' SOUTHWESTERLY= 5787.9'
 265' SOUTHWESTERLY= 5792.6'

ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	9,820	10,990	Topsoil is not included in Pad Cut	-1,170
PIT	2,340	0		2,340
TOTALS	12,160	10,990	1,440	1,170

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

SECTION 20, T11S, R24E, S.L.B.&M.

Qtr/Qtr Location: SE NE

Footage Location: 1807' FNL & 1066' FEL

Date Surveyed:
10-19-05

Date Drawn:
11-12-05

Date Last Revision:

Timberline
Land Surveying, Inc.

(435) 789-1365

SHEET

Surveyed By: B.J.S.

Drawn By: B.J.S.

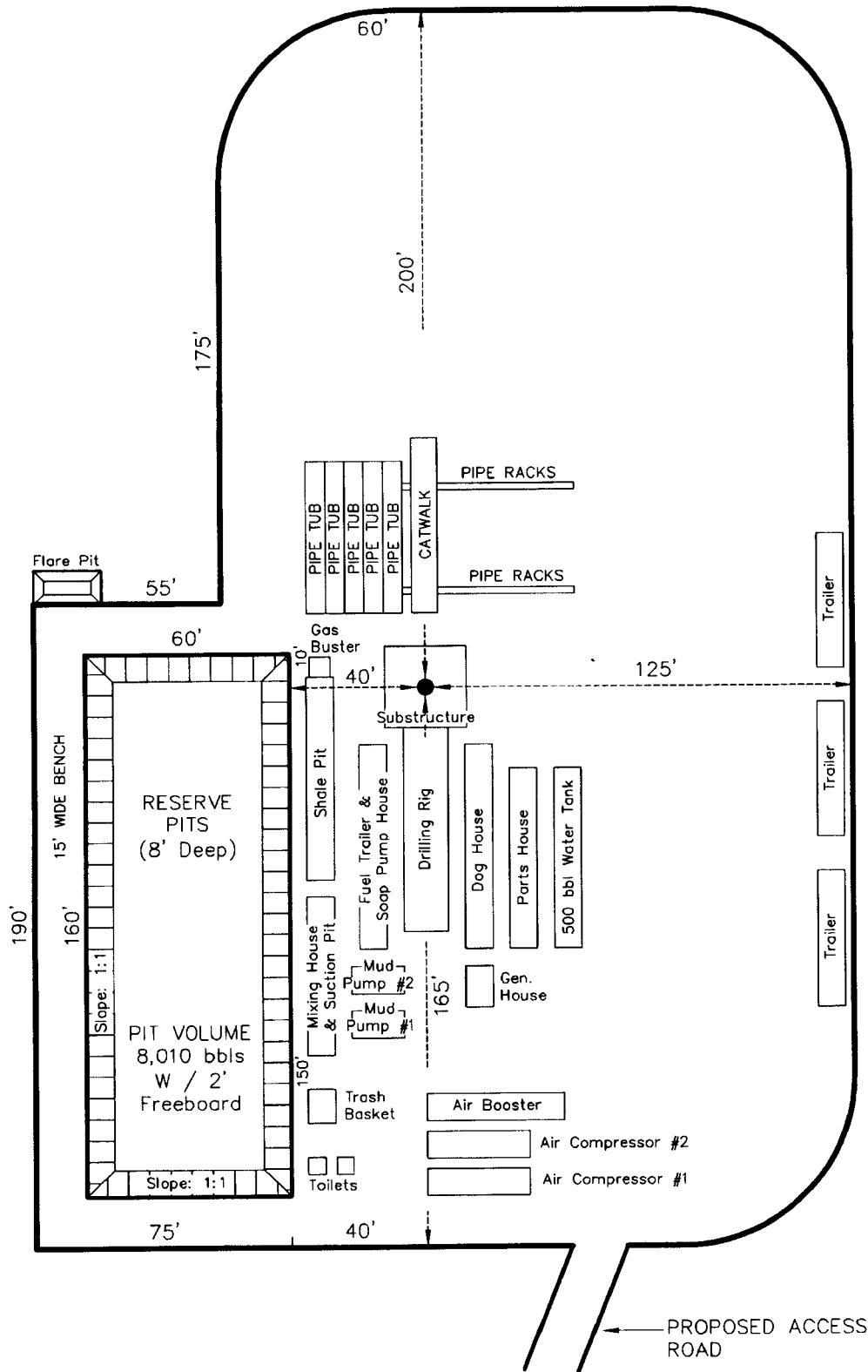
Scale: 1" = 50'

38 WEST 100 NORTH VERNAL, UTAH 84078

4
OF 10

ENDURING RESOURCES

TYPICAL RIG LAYOUT - RAINBOW 11-24-42-20



SECTION 20, T11S, R24E, S.L.B.&M.

Qtr/Qtr Location: SE NE

Footage Location: 1807' FNL & 1066' FEL

Date Surveyed:
10-19-05

Date Drawn:
11-12-05

Date Last Revision:

Timberline
Land Surveying, Inc.
(435) 789-1365

SHEET

Surveyed By: B.J.S.

Drawn By: B.J.S.

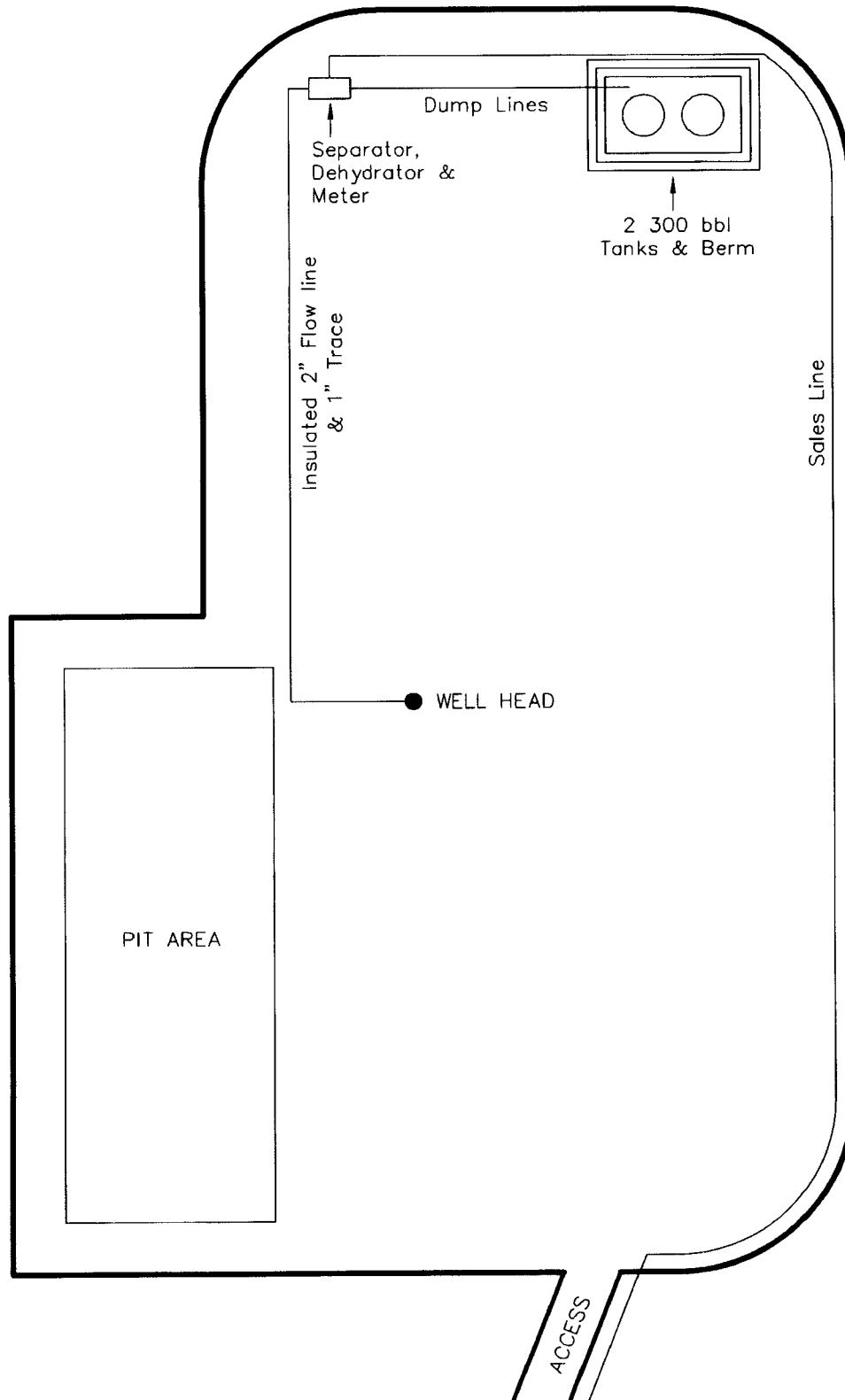
Scale: 1" = 50'

38 WEST 100 NORTH VERNAL, UTAH 84078

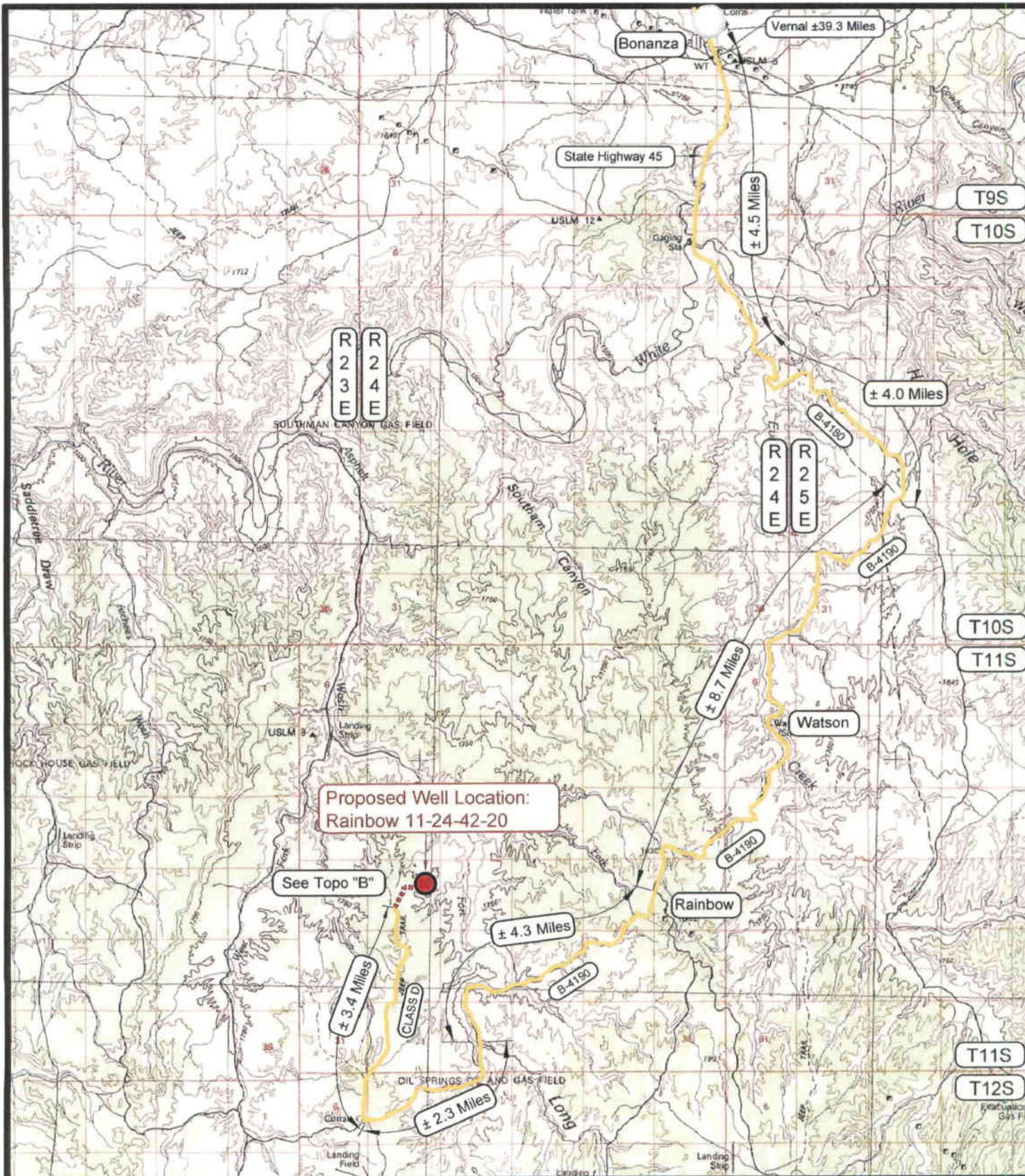
5
OF 10

LANDURING RESOURCE

TYPICAL PRODUCTION LAYOUT - RAINBOW 11-24-42-20



SECTION 20, T11S, R24E, S.L.B.&M.		Qtr/Qtr Location: SE NE	Footage Location: 1807' FNL & 1066' FEL
Date Surveyed: 10-19-05	Date Drawn: 11-12-05	Date Last Revision:	<i>Timberline</i> (435) 789-1365
Surveyed By: B.J.S.	Drawn By: B.J.S.	Scale: 1" = 50'	<i>Land Surveying, Inc.</i>
38 WEST 100 NORTH VERNAL, UTAH 84078			SHEET 6 OF 10



LEGEND

- = PROPOSED WELL LOCATION
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- = PROPOSED ACCESS ROAD
- B-5460 = COUNTY ROAD CLASS & NUMBER

TOPOGRAPHIC MAP "A"

SCALE: 1:10,000'

DRAWN BY: M.W.W.

DATE SURVEYED: 10-19-05

DATE DRAWN: 11-14-05

REVISED:

ENDURING RESOURCES

Rainbow 11-24-42-20
SECTION 20, T11S, R24E, S.L.B.&M.
1807' FNL & 1066' FEL

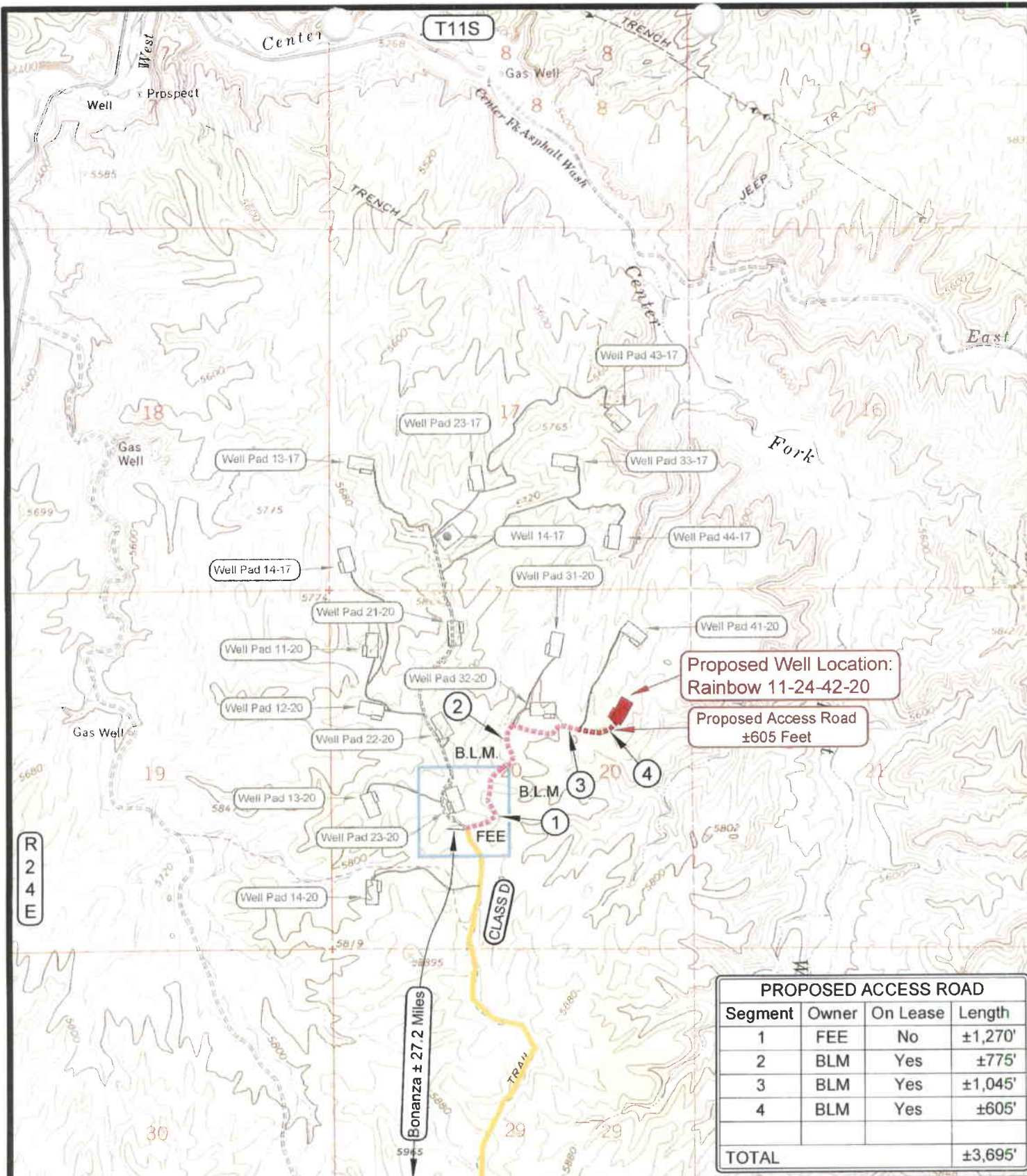
Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET

7

OF 10



LEGEND

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = SHARED ACCESS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "B"

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

DATE SURVEYED: 10-19-05

DATE DRAWN: 11-14-05

REVISED:

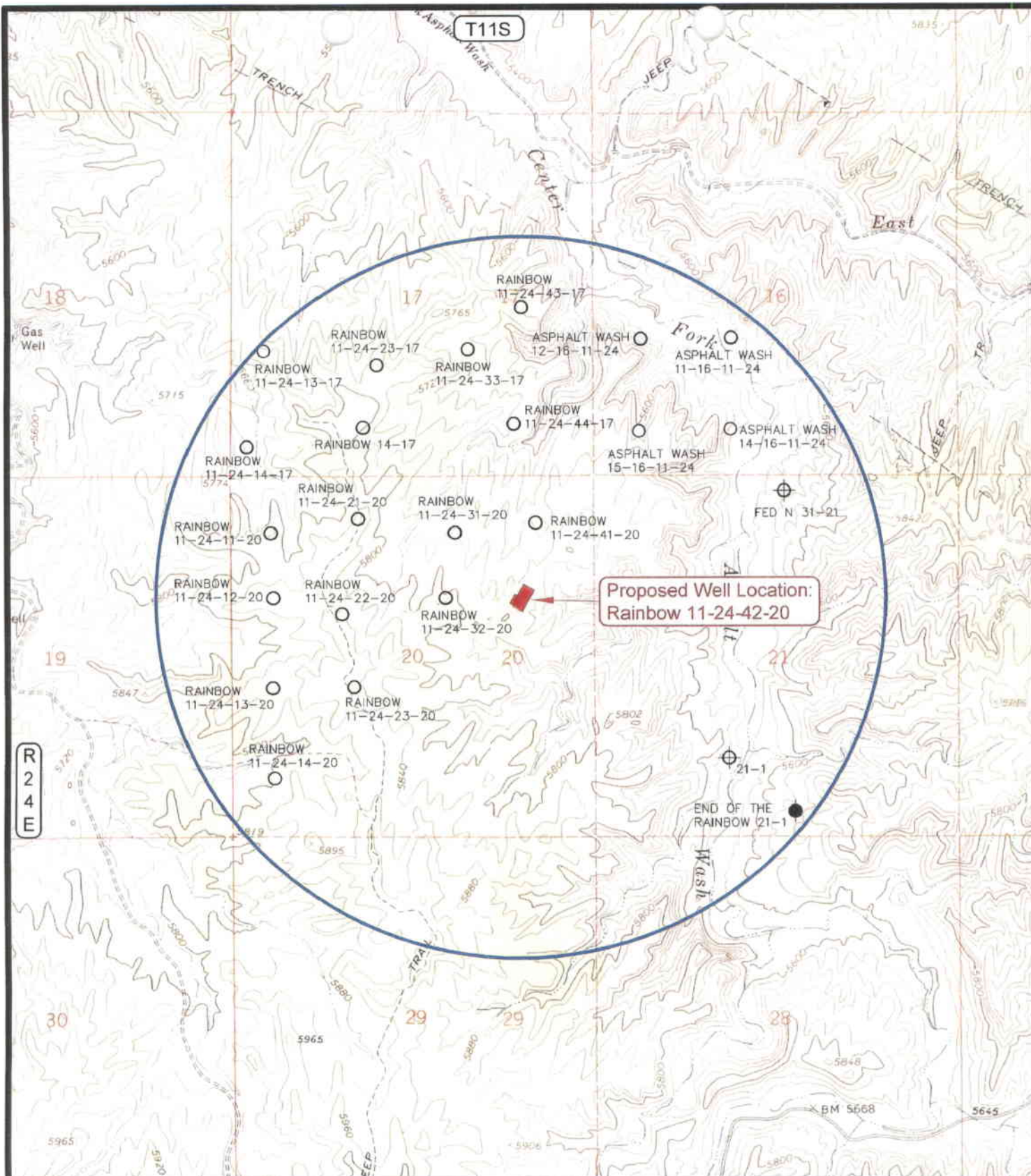
ENDURING RESOURCES

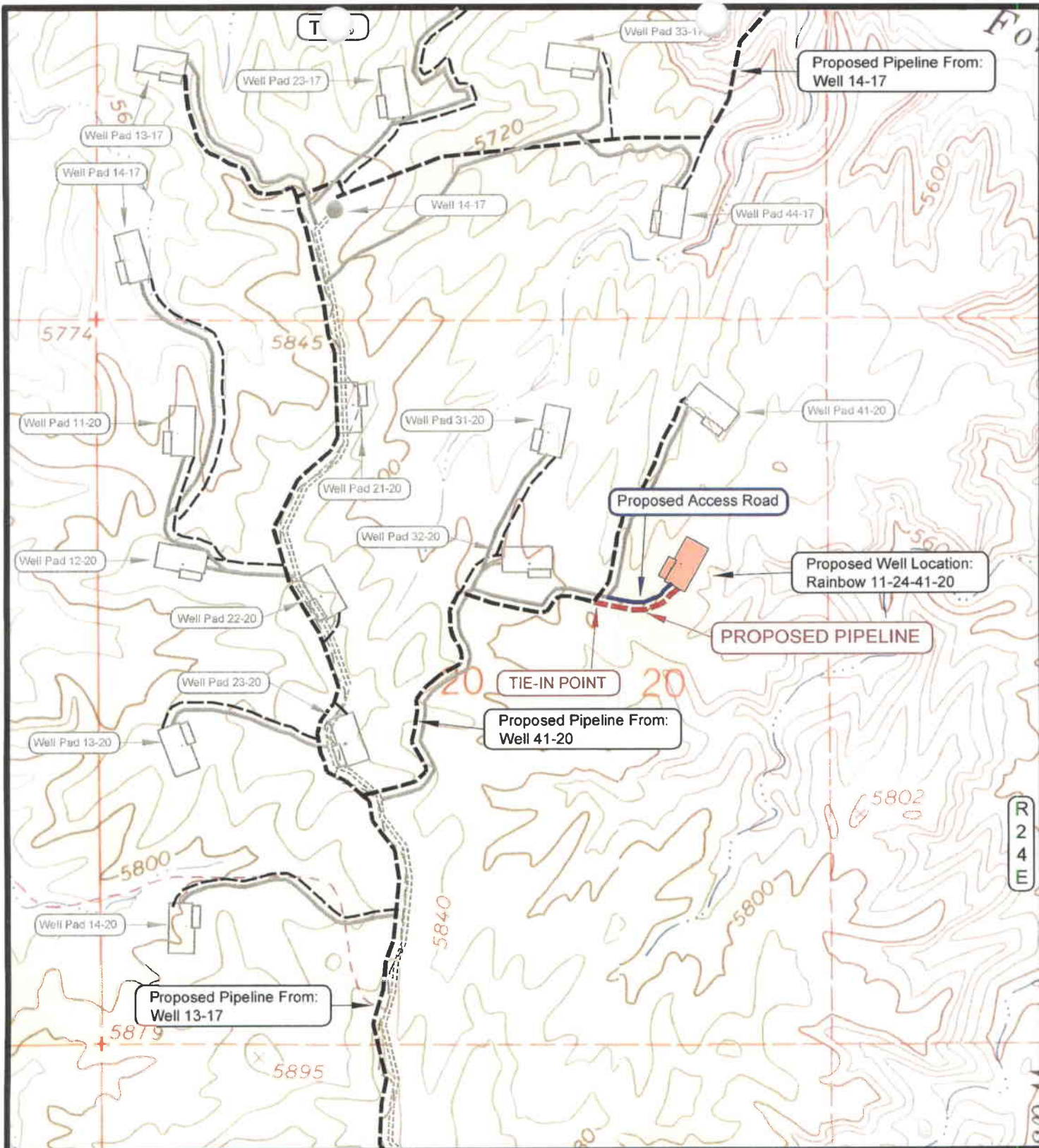
Rainbow 11-24-42-20
SECTION 20, T11S, R24E, S.L.B.&M.
1807' FNL & 1066' FEL

Timberline Land Surveying, Inc.

38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
8
OF 10





APPROXIMATE PIPELINE LENGTH = 670 Feet

LEGEND

- = OTHER PIPELINE
- - - = PROPOSED PIPELINE
- = PROPOSED ACCESS ROAD
- = LEASE LINE AND / OR PROPERTY LINE

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 10-19-05

DATE DRAWN: 11-14-05

SCALE: 1" = 1000'

DRAWN BY: M.W.V.

REVISED:

ENDURING RESOURCES

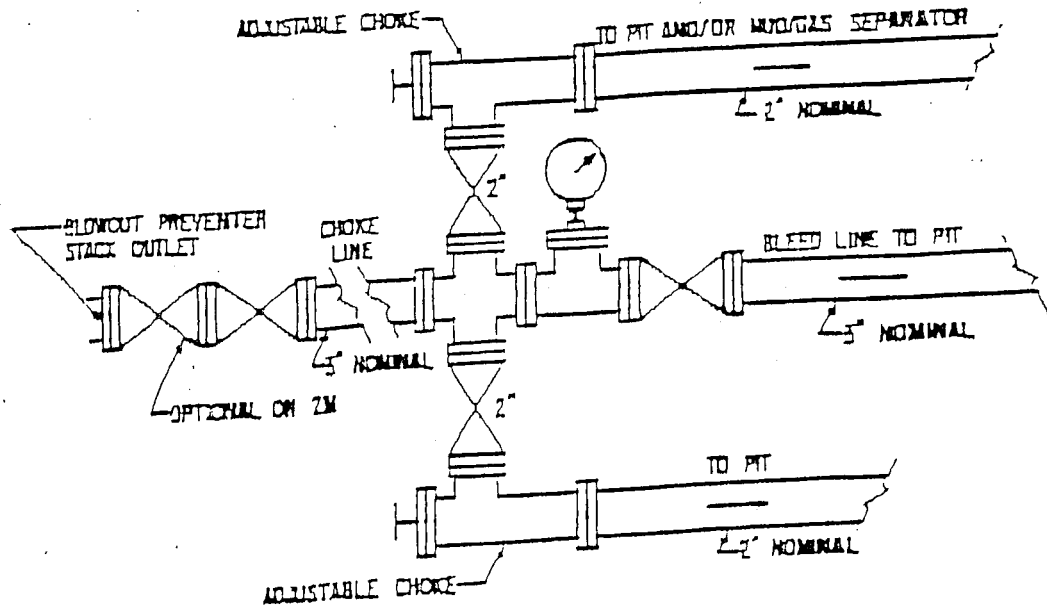
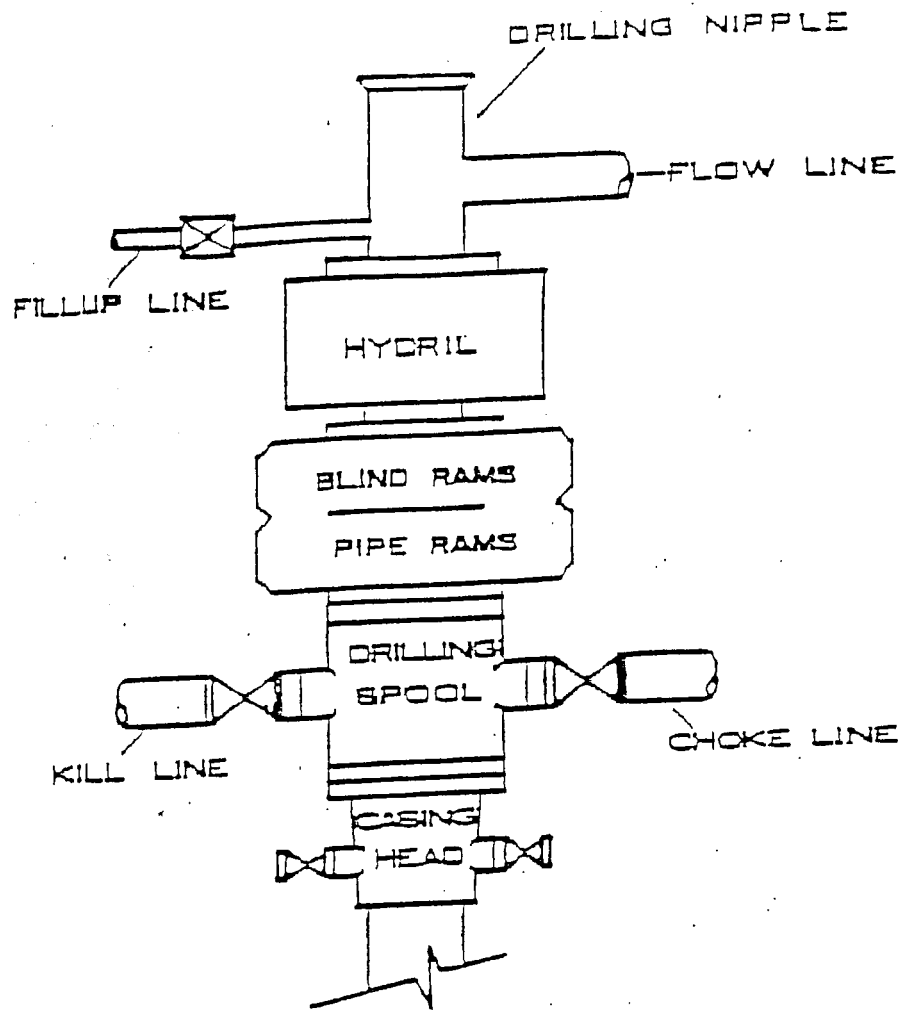
Rainbow 11-24-42-20
SECTION 20, T11S, R24E, S.L.B.&M.
1807' FNL & 1066' FEL

Timberline Land Surveying, Inc.
 38 West 100 North Vernal, Utah 84078
 (435) 789-1365

SHEET
10
OF 10

3,000 PSI

EOP STACK



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/22/2006

API NO. ASSIGNED: 43-047-38131

WELL NAME: RAINBOW 11-24-42-20

OPERATOR: ENDURING RESOURCES, LLC (N2750)

CONTACT: AL ARLIAN

PHONE NUMBER: 303-350-5114

PROPOSED LOCATION:

SENE 20 110S 240E

SURFACE: 1807 FNL 1066 FEL

BOTTOM: 1807 FNL 1066 FEL

COUNTY: UINTAH

LATITUDE: 39.84977 LONGITUDE: -109.2484

UTM SURF EASTINGS: 649849 NORTHINGS: 4412341

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73920

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]

(No. RLB0008031)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 49-2215)

☒ RDCC Review (Y/N)

(Date:)

☒ Fee Surf Agreement (Y/N)

☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit: _____

___ R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

___ Drilling Unit

Board Cause No: _____

Eff Date: _____

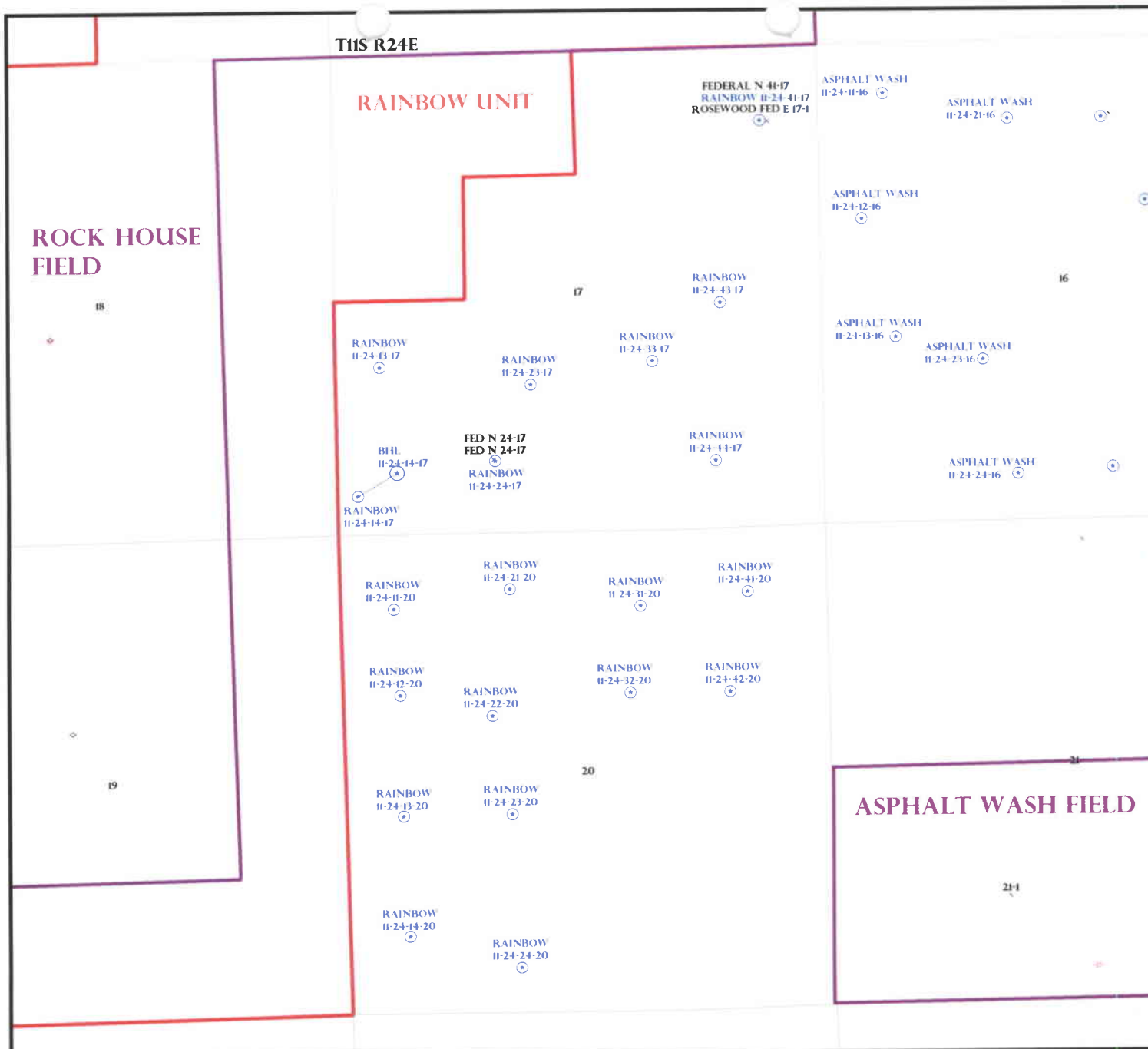
Siting: _____

___ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Stip



OPERATOR: ENDURING RES LLC (N2750)

SEC: 20 T. 11S R. 24E

FIELD: UNDESIGNATED (002)

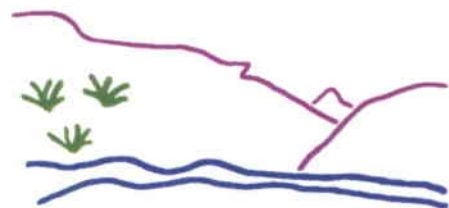
COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status
 ■ ABANDONED
 ■ ACTIVE
 ■ COMBINED
 ■ INACTIVE
 ■ PROPOSED
 ■ STORAGE
 ■ TERMINATED

Unit Status
 ■ EXPLORATORY
 ■ GAS STORAGE
 ■ NF PP OIL
 ■ NF SECONDARY
 ■ PENDING
 ■ PI OIL
 ■ PP GAS
 ■ PP GEOTHERML
 ■ PP OIL
 ■ SECONDARY
 ■ TERMINATED

Wells Status
 ✱ GAS INJECTION
 ✱ GAS STORAGE
 ✱ LOCATION ABANDONED
 ✱ NEW LOCATION
 ✱ PLUGGED & ABANDONED
 ✱ PRODUCING GAS
 ✱ PRODUCING OIL
 ✱ SHUT-IN GAS
 ✱ SHUT-IN OIL
 ✱ TEMP. ABANDONED
 ✱ TEST WELL
 ✱ WATER INJECTION
 ✱ WATER SUPPLY
 ✱ WATER DISPOSAL
 ✱ DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 24-MAY-2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

July 17, 2006

Enduring Resources, LLC
475 17th St., Ste. 1500
Denver, CO 80202

Re: Rainbow 11-24-42-20 Well, 1807' FNL, 1066' FEL, SE NE, Sec. 20,
T. 11 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38131.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Enduring Resources, LLC
Well Name & Number Rainbow 11-24-42-20
API Number: 43-047-38131
Lease: UTU-73920

Location: SE NE **Sec.** 20 **T.** 11 South **R.** 24 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-73920

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Rainbow 11-24-42-20

9. API NUMBER:
4304738131

10. FIELD AND POOL, OR WILDCAT:
Undesignated

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 350-5719

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1807' FNL - 1066' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 20 11S 24E S

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:

☐ SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: Request for APD
Extension

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 7/17/2007
TO: 7/17/2008

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-18-07

By: [Signature]

NAME (PLEASE PRINT) Evette Bissett

TITLE Regulatory Affairs Assistant

SIGNATURE [Signature]

DATE 7/13/2007

(This space for State use only)

COPY SENT TO OPERATOR
Date: 7-20-07
Initials: RM

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
JUL 17 2007
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738131
Well Name: Rainbow 11-24-42-20
Location: 1807' FNL - 1066' FEL, SENE, Sec 20, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 7/17/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Guette Bessitt
Signature

7/13/2007
Date

Title: Regulatory Affairs Assistant

Representing: Enduring Resources, LLC

RECEIVED
JUL 17 2007
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Enduring Resources, LLC

3. ADDRESS OF OPERATOR:
475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202

PHONE NUMBER:
(303) 350-5114

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1807' FNL - 1066' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 20 11S 24E S

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-73920

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Rainbow 11-24-42-20

9. API NUMBER:
4304738131

10. FIELD AND POOL, OR WILDCAT:
Undesignated

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill

FROM: 7/18/2008
TO: 7/18/2009

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-26-08
By: [Signature]

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman

SIGNATURE [Signature]

DATE 6/25/2008

(This space for State use only)

COPY SENT TO OPERATOR

Date: 7-23-2008

Initials: KS

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

JUL 18 2008

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738131
Well Name: Rainbow 11-24-42-20
Location: 1807' FNL - 1066' FEL, SENE, Sec 20, T11S-R24E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 7/17/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

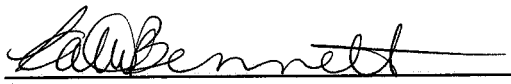
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

6/25/2008

Date

Title: Administrative Assistant

Representing: Enduring Resources, LLC

RECEIVED

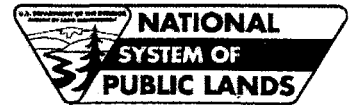
JUL 18 2008

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District-Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:
3160
UTG011

May 20, 2009

Alvin R. (Al) Arlian
Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, CO 80202

Re: **43 047 38131**
Request to Return APD
Well No. Rainbow 11-24-42-20
SENE, Sec. 20, T11S, R24E
Uintah County, Utah
Lease No. UTU-73920
Asphalt Unit

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the above referenced-well received May 8, 2006, is being returned unapproved per your request in an email message to me dated May 18, 2009. Pursuant to our telephone conversation, Enduring Resources requested that the pending APDs be returned. The message stated that because of the current gas market Enduring Resources, LLC does not plan on drilling these wells in the near future. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

If you have any questions regarding APD processing, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

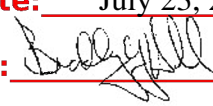
Enclosure

cc: UDOGM

RECEIVED

JUN 11 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73920			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202		8. WELL NAME and NUMBER: RAINBOW 11-24-42-20			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1807 FNL 1066 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 20 Township: 11.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047381310000			
PHONE NUMBER: 303 350-5114 Ext		9. FIELD and POOL or WILDCAT: UNDESIGNATED			
COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Request one-year extension to APD term.					
Approved by the Utah Division of Oil, Gas and Mining					
Date: <u>July 23, 2009</u>					
By: 					
NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory			
SIGNATURE N/A	DATE 7/21/2009				

RECEIVED July 21, 2009



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047381310000

API: 43047381310000

Well Name: RAINBOW 11-24-42-20

Location: 1807 FNL 1066 FEL QTR SENE SEC 20 TWNP 110S RNG 240E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

Date Original Permit Issued: 7/17/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
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- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Alvin Arlian

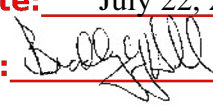
Date: 7/21/2009

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: July 23, 2009

By:

RECEIVED July 21, 2009

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73920			
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: Enduring Resources, LLC		7. UNIT or CA AGREEMENT NAME: ASPHALT			
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 , Denver, CO, 80202		8. WELL NAME and NUMBER: RAINBOW 11-24-42-20			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1807 FNL 1066 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 20 Township: 11.0S Range: 24.0E Meridian: S		9. API NUMBER: 43047381310000			
PHONE NUMBER: 303 350-5114 Ext		9. FIELD and POOL or WILDCAT: ROCK HOUSE			
COUNTY: UTAH		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
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Approved by the Utah Division of Oil, Gas and Mining					
Date: July 22, 2010					
By: 					
NAME (PLEASE PRINT) Alvin Arlian	PHONE NUMBER 303 350-5114	TITLE Landman-Regulatory			
SIGNATURE N/A	DATE 7/16/2010				



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047381310000

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**Approved by the
Utah Division of
Oil, Gas and Mining**

Signature: Alvin Arlian

Date: 7/16/2010

Title: Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

Date: July 22, 2010

By:

RECEIVED July 16, 2010



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 19, 2011

Al Arlian
Enduring Resources, LLC
475-17th Street, Ste. 1500
Denver, CO 80202

43 047 38131
Rainbow 11-24-42-30
11S 24E 20

Re: APDs Rescinded for Enduring Resources, LLC
Uintah County

Dear Mr. Arlian:

Enclosed find the list of APDs that are being rescinded per your request to Enduring Resources, LLC. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective July 13, 2011.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



43-047-38090	RAINBOW 11-24-41-20
43-047-38091	RAINBOW 11-24-11-20
→ 43-047-38131	RAINBOW 11-24-42-20
43-047-38369	RAINBOW 11-24-24-29
43-047-38370	RAINBOW 11-24-22-29
43-047-38371	RAINBOW 11-24-12-29
43-047-38384	ARCHY BENCH 11-23-14-27
43-047-38385	SADDLETREE 11-23-21-28
43-047-38399	RAINBOW 11-24-14-29